GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:798
ANSWERED ON:28.11.2005
INCREASE IN FOOD SUBSIDY
Kushwaha Shri Narendra Kumar;Munshiram Shri ;Patle Shri Shishupal Natthu;Rawat Shri Ashok Kumar;Shiwankar Shri Maha Deo Rao

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the extent of increase in the burden of food subsidy registered due to the declaration of Minimum Support Price (MSP) of wheat;

(b) whether the Food Corporation of India (FCI) proposes to issue bonds for procurement of wheat;

(c) if so, the details thereof;

(d) the target fixed for the procurement of wheat during the current season; and

(e) the estimated increase in the expenditure incurred on procurement of wheat over the previous year?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): The additional outgo of food subsidy on account of increase in the MSP by Rs. 10 for wheat and consequent increase in incidentals on total procurement for the Central Pool for Rabi 2005 is approximately Rs. 175 crore.

(b) & (c): The Government has permitted the Food Corporation of India (FCI) to float bonds upto Rs. 5000 crore during 2005-06 (in Phase-II) to meet part of the Working Capital requirements. Earlier, the FCI mobilized Rs. 5000 crore through bonds (in Phase-I) between February to June 2005 under Government Guarantee.

(d): Procurement of foodgrains under Minimum Support Price (MSP) operations is `open ended` and no target is fixed.

(e): As at (a) above.